

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, et al.

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

Caption Continued on Following Page

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747).

THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF THE COMMONWEALTH OF
PUERTO RICO,

as agent of

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Plaintiff,

v.

BETTINA WHYTE,

as agent of

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE PUERTO RICO SALES TAX FINANCING
CORPORATION,

Defendant.

PROMESA

Title III

No. 17-00257 (LTS)

**JOINDER OF AMBAC ASSURANCE CORPORATION TO THE MOTION FOR
SUMMARY JUDGMENT BY THE COFINA AGENT**

Ambac Assurance Corporation (“Ambac”), holder and insurer of approximately \$1.35 billion in net accreted value of certain senior bonds issued by the Puerto Rico Sales Tax Financing Corporation (“COFINA”), hereby joins in the motion for summary judgment (the “Motion”) submitted by Bettina M. Whyte (the “COFINA Agent”), in her capacity as the appointed agent of the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) as representative of COFINA.² In support of its joinder, Ambac respectfully submits as follows:

² Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

The strength of the claims asserted by the Commonwealth Agent in its Second Amended Complaint lies not in their legal merit but rather the ease with which they deploy conclusory assertions to obfuscate the unambiguous. Under Puerto Rico law, “[o]wnership and other property rights are acquired and transmitted by law[.]” 31 L.P.R.A. § 1931. And the text of the COFINA enabling legislation (“Act 91”) is clear and unequivocal: the Fondo de Interés Apremiante (“FIA”), the funds in the FIA, and a dedicated stream of sales-and-use tax (the “DST”) were all immediately transferred from the Commonwealth to COFINA upon enactment of Act 91 in 2007. Nothing in Puerto Rico’s Constitution prohibits, or limits, the Legislative Assembly’s power to define property rights under Puerto Rico Law or transfer ownership of the DST to COFINA.

WHEREFORE, for the reasons explained in the Motion, Ambac respectfully requests that the Court grant the Motion.

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Dated: February 21, 2018
San Juan, Puerto Rico

FERRAIUOLI LLC

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